

THE GAMES

Bingo

For the seventh consecutive year, wagering on bingo in Nebraska declined. Bingo gross receipts for the reporting period were \$18,965,647, bingo's lowest wagering total in 13 years. Bingo gross receipts were down 1.37 percent from the previous reporting period.

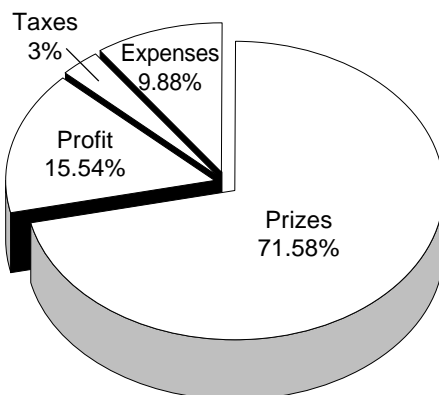
Class I bingo receipts at \$5,281,155 were down this reporting period by 3.59 percent from the previous reporting period. A similar decrease is also seen in the number of organizations holding a Class I bingo license (172 this period as compared to 182 last year). Class II bingo receipts for the reporting period totaled \$13,684,492, a decrease of 0.5 percent from the previous reporting period. This decline is also reflected in the decrease in the number of licensees (32 this period as compared to 34 last year). Although bingo suffered a 5.68 percent decrease in attendance when compared to last year, the average player spend actually increased from \$19.98 to \$20.90.

Both Class I and Class II licensees showed an increase in bingo expenses this reporting period when compared to last year. Both Class I and Class II licensees also had a decrease in prizes paid. Perhaps the most significant statistic to note in the bingo area during this reporting period is that for the second time since the Charitable Gaming Division started publishing annual reports (1990), Class II bingo actually showed a net profit (typically bingo acts as a loss leader for an organization's pickle card sales at the bingo occasion). While Class II bingo actual income increased again this year, Class I bingo showed a slight decrease in actual income this reporting period as compared to last year. However, both Class I and Class II experienced an increase in net profit percentage of bingo gross receipts. The Class I bingo profit percentage increased from 15.04 percent last year to 15.54 percent this year and Class II bingo profit percentage increased from 0.77 percent to 1.19 percent this year. The elimination of the local bingo tax in its entirety effective January 1, 1999 again contributed to the increase in net profit for both Class I and Class II licensees. A decrease in taxes paid for both Class I and Class II bingo licensees is reflected in the pie charts below. This is the first annual report without any local bingo tax on these receipts.

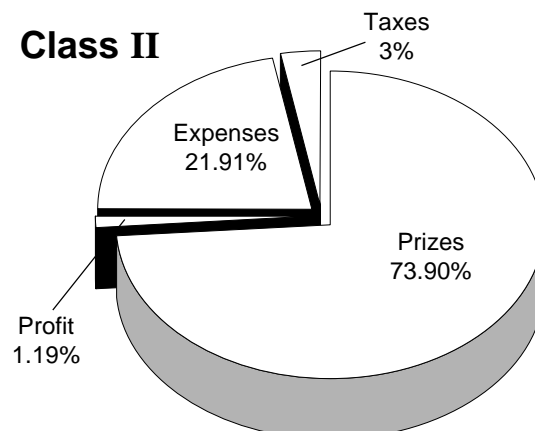
Although the figures on this page do not include attendance, wagering, prizes, or expenses for Special Event Bingo, it is noteworthy to mention its existence. Special Event Bingo is a charitable gaming option that became available in October of 1994 which allows an organization to forego the requirement of obtaining a regular bingo license if it wants to conduct bingo only once or twice a year at a special function, such as a county fair or school fun night. As organizations have become more familiar with Special Event Bingo, many have dropped their Class I bingo licenses, obtaining a Special Event Bingo permit instead. Special Event Bingo is exempt from the tax, record keeping, and reporting requirements in place for Class I and Class II bingo licensees. The number of Special Event Bingo permits issued during this reporting period, 132, was more than double the number issued last year, and continues to be a factor in the decline of the number of Class I bingo licenses issued by the Department.

	CLASS I	CLASS II	TOTAL
Bingo Gross Receipts	\$5,281,155	\$13,684,492	\$18,965,647
Prizes	3,780,072	10,112,481	13,892,553
Expenses	521,944	2,998,010	3,519,954
Taxes	158,434	410,535	568,969
Profit	\$ 820,705	\$ 163,466	\$ 984,171

Class I



Class II



Number of Occasions Conducted	12,356
Attendance Reported	907,507
Average Player Spend Per Occasion	\$20.90*

* Does not include player spend on pickle cards sold at the bingo occasions.

Pickle Cards

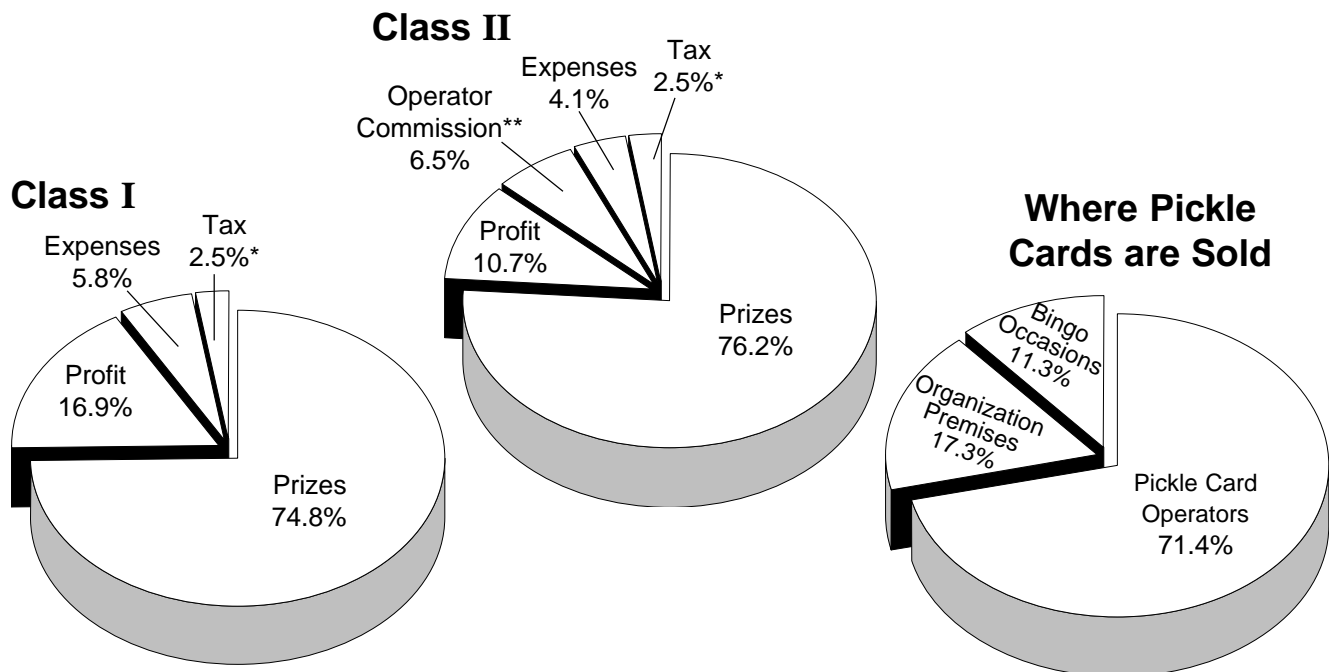
As has been the case for the past five reporting periods, total pickle card sales in Nebraska declined during this reporting period, totaling \$82,866,886. This is an 8.44 percent decrease compared to the previous reporting period, and marked the second consecutive year since 1986 that pickle card sales failed to reach \$100,000,000. Overall, pickle card sales are down 53.28 percent from their peak during the 1994 reporting period when sales hit \$177,359,919. Conjointly, the number of pickle card units sold during the reporting period also declined (down 7.5 percent) with only 39,910 units reported sold as compared to 43,157 for the previous reporting period.

Class I licensees, those selling pickle cards only at their designated premises (club facility) and bingo occasions reported a slight increase in sales of 2.88 percent, rising from \$15,555,068 last year to \$16,002,976 this year. For the same period, Class II licensees, those selling primarily through pickle card operators, had a significant decrease in sales of 10.79 percent, dropping from \$74,947,858 last year to \$66,863,910 this year. The number of organizations licensed to conduct a lottery by the sale of pickle cards also decreased again this reporting period (down from 653 to 623), with decreases in both Class I and Class II licensees.

A majority of the pickle cards sold in Nebraska continue to be through pickle card operators (see pie chart on the right below), although there was a decrease in that percentage again this reporting period (dropping from 72.8 percent to 71.4 percent). For the fifth consecutive year, the number of licensed pickle card operators continued to drop, going from 1,495 last year to 1,410 this year. The number of pickle card dispensing devices registered during the reporting period also declined from last year, dropping by 1.5 percent (1,657 devices registered this period as compared to 1,683 for the same period last year).

No significant changes were seen this reporting period as compared to last with respect to the percentage distribution of pickle card gross proceeds for both Class I and Class II licensees (see pair of pie charts on the left below).

	CLASS I	CLASS II	TOTAL
Pickle Card Gross Proceeds	\$16,002,976	\$66,863,910	\$82,866,886
Prizes	11,977,422	50,916,219	62,893,641
Operator Commissions	N/A	4,370,878	4,370,878
Expenses	927,721	2,772,089	3,699,810
Taxes	392,626	1,640,480	2,033,106
Profit	\$ 2,705,207	\$ 7,164,244	\$ 9,869,451



Pickle Card Dispensing Devices Registered 1,657
 Number of Pickle Card Units Sold 39,910

* The statutory pickle card tax rate is ten percent of definite profit, which translates to approximately 2.5 percent of gross proceeds.

** The statutory maximum allowed for a pickle card operator commission is 30 percent of definite profit, which translates to approximately 7 percent of gross proceeds.

Lotteries and Raffles

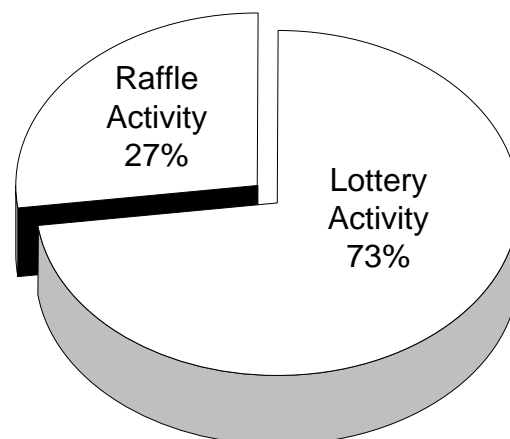
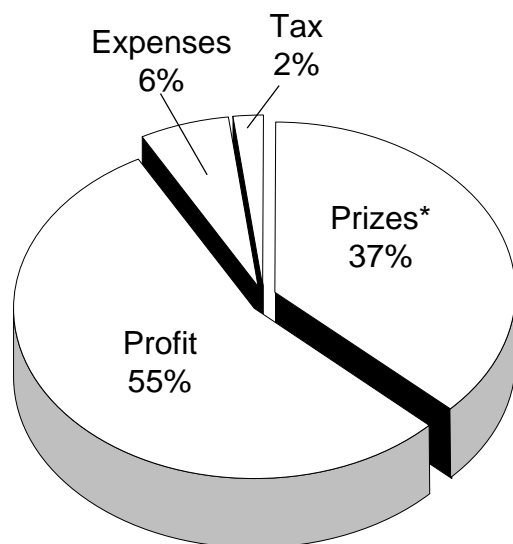
Lottery/raffle gross proceeds have reached a new peak at \$3,811,149. The lottery/raffle combined gross proceeds represent an increase of over 10 percent when compared to the same period last year. In the preceding four periods, gross proceeds had held fairly steady between the 3 and 3.5 million dollar mark. Separating the two activities, the sale of lottery tickets (primarily cash prize drawing) increased 9 percent while the sale of raffle tickets (primarily merchandise prize drawing) jumped 13.5 percent. We caution, however, that due to the relatively small volume of lottery/raffle activity in comparison to the other charitable gaming activities, one or two large lotteries or raffles per reporting period can have a significant impact on the percent of increase or decrease for this program.

The total number of lottery/raffle licensees increased by 7 percent during this reporting period (199 this period compared to 186 last year). A more in-depth analysis of lottery versus raffle activity was completed again this year by the Charitable Gaming Division, resulting in the pie chart on the right being included on this page for the second time, illustrating the percentage of dollars spent on lottery versus raffle tickets. This pie chart clearly demonstrates, at least with respect to licensed lotteries and raffles, drawings for cash or primarily cash prizes are far more prevalent than drawings for merchandise prizes.

Some shifting in the percentage distributions of the lottery/raffle gross proceeds were seen this reporting period, as illustrated in the pie chart on the left below. The prizes paid decreased slightly from 38 percent last year to 37 percent this year while the profits showed the corresponding increase from 54 percent last year to 55 percent this year. Expenses at 6 percent remained the same as reported for the previous year.

It should be noted that the figures on this page represent only lotteries with gross proceeds (ticket sales) exceeding \$1,000, and raffles with gross proceeds exceeding \$5,000. Nonprofit organizations conducting lotteries or raffles with gross proceeds equal to or below these thresholds are not required to file reports with the Department or pay any lottery/raffle tax. A significant number of lotteries and raffles conducted in Nebraska fall within the non-reportable category.

Lottery Gross Proceeds	\$2,768,510
Raffle Gross Proceeds	1,042,639
Total Gross Proceeds	\$3,811,149
Prizes	1,414,776
Expenses	240,901
Total Taxes	76,224
Profit	\$2,079,248



* Actual prizes awarded equaled 41 percent of the total gross proceeds; however, of this 41 percent, four percent of the prizes awarded were donated prizes.

County/City Lotteries

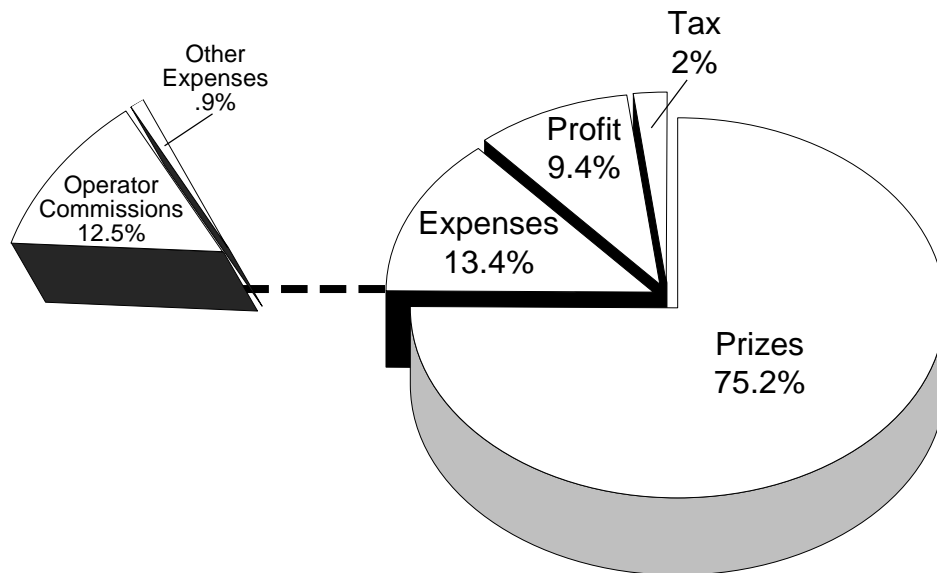
County/city lottery (keno) continued the rebound started last year showing a 2.32 percent increase over the previous reporting period. Gross wagering at \$159,690,193 represented an increase of approximately 3.6 million dollars. This increase may be due at least in part to six new communities who were licensed to start conducting county/city lottery activity during the reporting period (Fillmore County, the city of Yutan, and the villages of Cedar Creek, Elm Creek, Milligan, and Palmyra). Despite this year's repeated positive news, however, overall county/city lottery wagering is still down 23.47 percent from its peak wagering of \$208,670,897 during the 1995 reporting period.

Communities and lottery operators are continuing to evaluate the performance of their lotteries and considering enhancements which may restore some of the handle lost to other forms of gambling. Progressive jackpots, larger prizes, and other game enhancements to attract increased play are more prevalent. Some live ball draw operations are opting for the recently approved automated ball draw method of winning number selection or are using a random generator during their slower times in order to reduce labor costs. There continue to be concerns expressed about the statutory five-minute requirement between games, the prohibition against player activation of keno equipment, and the requirement for a paper ticket.

Six communities held an election on the establishment of a lottery during the reporting period as compared to three for the same period last year. Of these communities, four approved the operation of a lottery within their jurisdictions and two defeated the measure (see pages 12 & 13 of this report for election status details). The number of communities licensed to conduct a lottery decreased to 126 during the reporting period. There were 137 licensed for the same period last year although there were 14 communities that were inactive. Of the 126 communities licensed for the current period, it should be noted that 6 communities were not operating their lotteries during or at the close of this reporting period (see pages 12 & 13 for licensed but inactive lotteries).

Again there was little change seen this reporting period as compared to last with respect to the distribution of county/city lottery gross proceeds (see pie chart below). The percent of prizes paid showed a slight decrease from 76.1 percent to 75.2 percent, as did expenses decreasing from 13.6 to 13.4 percent. Concurrently, the communities saw an increase in their profits from 8.3 percent to 9.4 percent.

County/City Lottery Gross Proceeds	\$159,690,193
Prizes	120,021,184
Lottery Operator Commissions	\$20,016,404
Other Expenses	\$ 1,456,923
Total Expenses	21,473,327
Taxes	3,193,803
Profit	\$ 15,001,879



COUNTY/CITY LOTTERY ELECTION AND LICENSING STATUS

as of June 30, 2000

Holding Election	Result of Election	License Issued	Status	Holding Election	Result of Election	License Issued	Status
Ainsworth	Defeated			Geneva	Defeated		
Albion	Defeated			Genoa	Affirmative		(b)
Alda	Affirmative		(b)	Gering	Affirmative	Yes	Active
Alliance	Affirmative	Yes	Active	Goehner	Affirmative		(b)
Anselmo	Affirmative	Yes	Inactive (c)	Gosper County	Affirmative	Yes	Active
Arlington	Defeated			Grafton	Affirmative	Yes	Active
Arthur County	Affirmative	Yes	Active	Grant	Affirmative	Yes	Active
Ashland	Affirmative	Yes	Active	Greeley	Affirmative	Yes	Active
Auburn	Affirmative	Yes	Active	Greenwood	Affirmative		(c)
Aurora	Defeated			Gretna	Affirmative	Yes	Active
Avoca	Affirmative		Inactive (c)	Gurley	Affirmative		(b)
Banner County	Affirmative		(b)	Hadar	Defeated		
Barneston	Affirmative		(c)	Haigler	Affirmative		(b)
Battle Creek	Affirmative	Yes	Active	Hall County	Affirmative	Yes	Active
Bayard	Affirmative	Yes	Active	Hardy	Affirmative	Yes	Active
Beatrice	Affirmative	Yes	Active (a)	Harlan County	Affirmative	Yes	Active
Beaver City	Affirmative		(b)	Hartington	Affirmative		Inactive (c)
Beaver Crossing	Affirmative	Yes	Active (a)	Hastings	Affirmative	Yes	Active
Bee	Affirmative		(b)	Hay Springs	Affirmative	Yes	Active
Beemer	Affirmative	Yes	Active	Hebron	Affirmative	Yes	Active
Belgrade	Affirmative	Yes	Active	Hemingford	Affirmative	Yes	Active
Bellevue	Affirmative	Yes	Active (a)	Hershey	Affirmative	Yes	Active
Belvidere	Affirmative		Inactive (a)	Hickman	Defeated		
Benedict	Affirmative	Yes	Active	Holbrook	Affirmative	Yes	Active (a)
Benkelman	Affirmative		Inactive (c)	Holdrege	Affirmative	Yes	Active
Bennington	Affirmative	Yes	Active	Hooper	Affirmative		(b)
Blair	Affirmative	Yes	Active	Howells	Affirmative	Yes	Active
Bloomfield	Affirmative	Yes	Active	Hubbell	Affirmative	Yes	Active
Bloomington	Affirmative	Yes	Active	Humboldt	Affirmative		(b)
Blue Hill	Affirmative		(c)	Humphrey	Affirmative		(b)
Blue Springs	Affirmative	Yes	Active	Imperial	Affirmative		Inactive (c)
Brady	Affirmative	Yes	Active	Indianola	Affirmative		Inactive (c)
Brewster	Affirmative		(c)	Inglewood	Affirmative	(Part of Fremont)	Active
Bridgeport	Affirmative		Inactive (c)	Kearney	Affirmative	Yes	Active
Brown County	Defeated			Keith County	Affirmative	Yes	Active
Brownville	Affirmative		Inactive (c)	Kenesaw	Defeated		
Buffalo County	Defeated			Kennard	Affirmative		(a)
Burr	Affirmative		(b)	Kimball	Affirmative	Yes	Active
Cambridge	Affirmative	Yes	Inactive (c)	Lancaster County	Affirmative	(Part of Lincoln)	Active
Cedar Creek	Affirmative	Yes	Active (a)	LaVista	Affirmative	Yes	Active (a)
Central City	Defeated			Lewellen	Affirmative		Inactive (c)
Chadron	Affirmative	Yes	Active	Lincoln	Affirmative	Yes	Active
Chappell	Affirmative		(b)	Lincoln County	Affirmative	(Part of North Platte)	Active
Chase County	Affirmative		(c)	Lindsay	Affirmative	Yes	Active (a)
Cheyenne County	Affirmative	Yes	Active	Lodgepole	Affirmative		(c)
Clarkson	Affirmative	Yes	Active	Long Pine	Affirmative	Yes	Active
Columbus	Affirmative	Yes	Active	Lorton	Affirmative	Yes	Active
Cortland	Affirmative		(b)	Louisville	Affirmative		(c)
Cozad	Defeated			Loup City	Affirmative	Yes	Active (a)
Craig	Affirmative		(b)	Lyman	Affirmative	Yes	Active
Crawford	Affirmative	Yes	Active	Madison	Defeated		
Creston	Affirmative		Inactive (a)	Madrid	Affirmative	Yes	Active
Crete	Affirmative	Yes	Active (a)	Maywood	Affirmative		Inactive (c)
Dakota City	Affirmative		Inactive (a)	McCook	Affirmative		Inactive (c)
David City	Affirmative	Yes	Active (a)	McGrew	Affirmative	Yes	Active
Dawson County	Affirmative	Yes	Active	Melbeta	Affirmative		(b)
Denton	Affirmative	Yes	Active (a)	Memphis	Affirmative	Yes	Active
Deuel County	Affirmative	Yes	Active	Merriman	Defeated		
Dodge	Affirmative		(c)	Milligan	Affirmative	Yes	Active
Dodge County	Affirmative		(b)	Minatare	Affirmative	Yes	Inactive (c)
Doniphan	Affirmative	Yes	Active	Minden	Defeated		
Douglas County	Affirmative	(Part of Omaha)	Active (a)	Monroe	Affirmative		(b)
Duncan	Affirmative	Yes	Active (a)	Morrill	Defeated		
Dwight	Affirmative	Yes	Active (a)	Morse Bluff	Affirmative	Yes	Active (a)
Eagle	Affirmative	Yes	Active	Mullen	Affirmative		(a)
Elkhorn	Affirmative	Yes	Active (a)	Nebraska City	Defeated		
Elm Creek	Affirmative	Yes	Active	Nehawka	Affirmative	Yes	Active
Elwood	Affirmative		(b)	Neligh	Affirmative		Inactive (c)
Ericson	Affirmative	Yes	Active	Norfolk	Defeated		
Exeter	Affirmative	Yes	Active	North Bend	Affirmative	Yes	Active
Fairbury	Affirmative	Yes	Active	North Platte	Affirmative	Yes	Active
Fairfield	Affirmative		Inactive (a)	Odell	Affirmative		(b)
Fairmont	Affirmative		(b)	Omaha	Affirmative	Yes	Active (a)
Falls City	Defeated			O'Neill	Affirmative	Yes	Active
Fillmore County	Affirmative	Yes	Active	Ong	Affirmative		Inactive (c)
Fort Calhoun	Affirmative	Yes	Active (a)	Ord	Defeated		
Franklin	Affirmative	Yes	Inactive (c)	Osceola	Defeated		
Fremont	Affirmative	Yes	Active	Oshkosh	Affirmative		(c)
Fullerton	Affirmative		Inactive (a)	Osmond	Defeated		
Gage County	Affirmative		(b)	Otoe	Affirmative		Inactive (c)

Holding Election	Result of Election	License Issued	Status	Holding Election	Result of Election	License Issued	Status
Overton	Affirmative	Yes	Inactive (c)	Spalding	Affirmative	Yes	Active
Oxford	Affirmative	Yes	Active (a)	Sprague	Affirmative	Yes	Active
Palisade	Affirmative	Yes	Active	Springfield	Affirmative	Yes	Active
Palmer	Defeated			Stanton	Affirmative		(b)
Palmyra	Affirmative	Yes	Active	Sterling	Affirmative	Yes	Active
Papillion	Affirmative	Yes	Active (a)	Stuart	Affirmative	Yes	Active
Pawnee City	Affirmative		Inactive (a)	Superior	Affirmative	Yes	Active
Peru	Affirmative		(b)	Sutherland	Affirmative	Yes	Active
Platte Center	Affirmative		Inactive (a)	Sutton	Defeated		
Plattsmouth	Affirmative	Yes	Active (a)	Syracuse	Affirmative	Yes	Active
Pleasant Dale	Affirmative		Inactive (c)	Talmage	Affirmative		(b)
Polk	Defeated			Tecumseh	Affirmative	Yes	Active
Potter	Affirmative	Yes	Active	Terrytown	Affirmative	Yes	Active
Prague	Affirmative	Yes	Active	Trenton	Affirmative		Inactive (c)
Ralston	Affirmative	Yes	Active (a)	Unadilla	Affirmative	Yes	Active
Randolph	Affirmative	Yes	Active	Utica	Defeated		
Ravenna	Affirmative		Inactive (a)	Valentine	Defeated		
Raymond	Affirmative	Yes	Active	Valley	Affirmative	Yes	Active
Roca	Affirmative	Yes	Active	Valley County	Affirmative		(a)
Rulo	Affirmative		Inactive (a)	Valparaiso	Affirmative	Yes	Active
Rushville	Affirmative		Inactive (a)	Verdon	Affirmative		(b)
St. Edward	Affirmative		(a)	Waco	Affirmative	Yes	Active
St. Paul	Affirmative		(c)	Wahoo	Affirmative	Yes	Active
Sargent	Affirmative		(b)	Wallace	Affirmative		(c)
Sarpy County	Affirmative	Yes	Active	Walthill	Affirmative		Inactive (a)
Schuyler	Affirmative	Yes	Active (a)	Washington County	Affirmative		(b)
Scotts Bluff County	Affirmative	Yes	Active (a)	Waterloo	Affirmative	Yes	Active
Scribner	Affirmative		Inactive (a)	Wauneta	Affirmative	Yes	Active
Seward	Defeated			Waverly	Affirmative	Yes	Active
Seward County	Defeated			Wayne	Affirmative		(a)
Shelby	Affirmative		(b)	West Point	Defeated		
Shelton	Affirmative	Yes	Inactive (c)	Wilber	Affirmative	Yes	Active
Sidney	Defeated			Wisner	Defeated		
Silver Creek	Affirmative		Inactive (a)	Wolbach	Affirmative	Yes	Active
Smithfield	Affirmative		(b)	Wymore	Defeated		
Snyder	Affirmative		(a)	Wynot	Affirmative	Yes	Active
South Bend	Affirmative		(b)	Yutan	Affirmative	Yes	Active
South Sioux City	Affirmative	Yes	Active (a)				

(a) Election valid anytime

(b) Election expired

(c) Election subject to expiration

LOTTERIES LICENSED BY COUNTY

as of June 30, 2000

Adams	Dawes	Greeley	Madison	Saunders
City of Hastings	City of Chadron	Village of Greeley	City of Battle Creek	City of Ashland
Arthur	City of Crawford	Village of Spalding	Morrill	Village of Memphis
Arthur County	Dawson	Village of Wolbach	City of Bayard	Village of Morse Bluff
Box Butte	Dawson County	Hall	Nance	Village of Prague
City of Alliance	Village of Overton	Village of Doniphan	Village of Belgrade*	Village of Valpariso
Village of Hemingford	Deuel	Hall County	Nemaha	City of Wahoo
Brown	Deuel County	Harlan	City of Auburn	City of Yutan
City of Long Pine	Dodge	Harlan County	Nuckolls	Scotts Bluff
Buffalo	City of Fremont	Hitchcock	Village of Hardy	City of Gering
Village of Elm Creek	Village of Inglewood	Village of Palisade	City of Superior	Village of Lyman
City of Kearney	City of North Bend	Holt	Otoe	Village of McGrew
Village of Shelton*	Douglas	City of O'Neill	Village of Lorton	City of Minatare*
Butler	City of Bennington	Village of Stuart	Village of Palmyra	Scotts Bluff County
City of David City	Douglas County	Jefferson	City of Syracuse	Village of Terrytown
Village of Dwight	City of Elkhorn	City of Fairbury	Village of Unadilla	Seward
Cass	City of Omaha	Johnson	Perkins	Village of Beaver
Village of Cedar Creek	City of Ralston	Village of Sterling	City of Grant	Crossing
Village of Eagle	City of Valley	City of Tecumseh	Village of Madrid	Sheridan
Village of Nehawka	Village of Waterloo	Keith	Phelps	City of Hay Springs
City of Plattsmouth	Filmore	Keith County	Platte	Sherman
Cedar	Village of Exeter	Kimball	City of Columbus	City of Loup City
City of Randolph	Fillmore County	City of Kimball	Village of Duncan	Thayer
Village of Wynot	Village of Grafton	Knox	Village of Lindsay	City of Hebron
Chase	Village of Milligan	City of Bloomfield	Saline	Village of Hubbell
Village of Wauneta	Franklin	Lancaster	City of Crete	Washington
Cheyenne	Village of Bloomington	Village of Denton	City of Wilber	City of Blair
Cheyenne County	City of Franklin*	Lancaster County	Sarpy	City of Fort Calhoun
Village of Potter	Furnas	City of Lincoln	City of Bellevue	Wheeler
Colfax	City of Cambridge*	Village of Raymond	City of Gretna	Village of Ericson
City of Clarkson	Village of Holbrook	Village of Roca	City of LaVista	York
Village of Howells	Village of Oxford	Village of Sprague	City of Papillion	Village of Benedict
City of Schuyler	Gage	City of Waverly	Sarpy County	Village of Waco
Cuming	City of Beatrice	Lincoln	City of Springfield	
Village of Beemer	City of Blue Springs	Village of Brady		
Custer	Gosper	Village of Hershey		
Village of Anselmo*	Gosper County	Lincoln County		
Dakota		City of North Platte		
City of South Sioux City		Village of Sutherland		

* Licensed but inactive